

2009 REPORT TO LEGISLATURE AND GOVERNOR ON ENDOW IOWA AND COUNTY ENDOWMENT FUND

ENDOW IOWA TAX CREDITS

Endow Iowa Tax Credits are state tax credits provided to individuals or businesses that donate to permanent endowment funds at qualified community foundations or community affiliate organizations serving the communities of Iowa. The Iowa Code (15E.305(2)) authorizes \$2 million, plus a very small percentage (less than 1/10 of 1%) of state gambling revenues, for Endow Iowa Tax Credits annually.

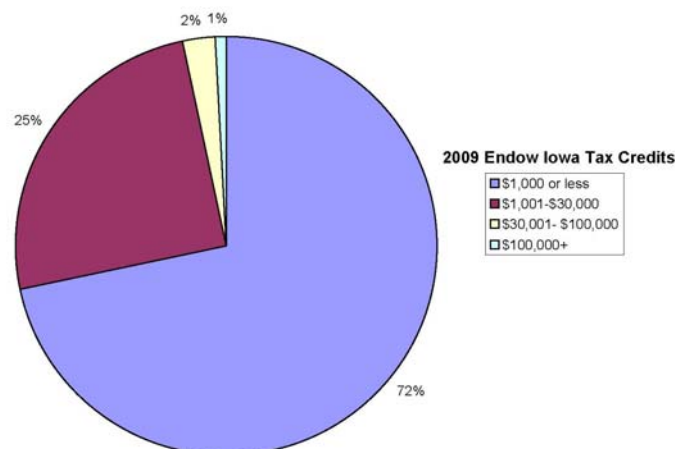
The following is a summary of the credits awarded in calendar year 2009: *(Note: these numbers reflect only those applications received by December 31, 2009. Additional applications are still being received for donations made in 2009.)*

- Approximately \$1.9 million in Endow Iowa tax credits were awarded;
- Tax credit applications showed approximately \$9.5 million in charitable giving was leveraged by the credits;
- The donations went to at least 78 different community foundations and/or community affiliate organizations;
- The \$9.5 million in donations was comprised of more than 1,496 separate donations.

The individual donations can be further categorized as follows:

Donation Amount	2009 Donations	2008 Donations	2007 Donations	2006 Donations	2005 Donations
\$1000 or less	1,071	1,297	656	424	213
\$1001 - \$30,000	376	485	319	177	181
\$30,001 - \$100,000	35	69	45	36	37
\$100,000 +	14	30	20	18	18
Total Donations	1,496	1,881	1,040	655	449

The percentage of gifts based on the 2009 donated amount results in the percentage breakdown as follows:



Of the 1,496 total donations, 111 were from business establishments (corporations) or from financial institutions. The remaining 1,385 donations were from individual donors.

The legislation requires that at least 10% of the donations be in amounts of \$30,000 or less. Dividing the donations into categories of less than or more than \$30,000 gives the following:

- \$3,200,138 (34 %) of the donations were made in individual donations of \$30,000 or less;
- \$6,288,623 (66 %) of the donations were made in individual donations of more than \$30,000.

Since inception of the Endow Iowa Tax Credit Program, Iowa Community Foundations have leveraged more than \$61 million in permanent endowment fund gifts. The contributions were made through more than 5,720 donations.

COUNTY ENDOWMENT FUND

The County Endowment Fund was established by HF 2302 in the 2004 Legislative Session. While functionally it is separate from the Endow Iowa Program components, the goal is similar- to build the community foundation structure in local communities to ultimately encourage additional philanthropy throughout Iowa.

The Iowa Legislature created the County Endowment Fund Program by providing eight-tenths of one percent (0.8%) of the state's commercial gaming tax revenue to support the initiative resulting in \$11,305,272 available for Community Foundations or Community Affiliate Organizations throughout Iowa in 2009. Three percent of that total amount (approximately \$339,000) was provided to the Iowa Council of Foundations and the Iowa Department of Economic Development for activities in support of the program and community foundation work. Approximately \$11 million was then distributed among 85 Community Foundations and/or Community Affiliate Organizations; each of the 85 organizations received \$129,090.00 through this program. Of that amount, the legislation requires that each organization put 25% (approximately \$32,000) into a permanent endowment fund, and distribute the other 75% (approximately \$96,800) to charitable causes and/or organizations in their service area.

The distribution of County Endowment Funds to the community foundations in 2009 occurred in August. The timing was such that most of the recipients have not yet made awards of the 75% portion of the funds; however, we now have complete information on the results of the fourth year's distribution of funds (in September of 2008, \$131,604 was provided to each organization). **The summary provided on the County Endowment Fund Program in this report reflects the grants awarded with the dollars distributed to the Community Foundations in *September of 2008*.**

Most of the 85 organizations referred to above were formed as a direct result of the impetus provided by the County Endowment Fund program. Each of the organizations has a governing body comprised of 5 or more community leaders or advocates for local philanthropy with many of the organizations having 10 or more members. The formation of these organizations has thus resulted in more than 1,500 local community leaders actively involved annually in community foundation work throughout the state. This extent of local engagement and leadership is a benefit that can be added to the financial growth of community foundation organizations.

Grant Awards Snapshot:

The Iowa Council of Foundations and the Iowa Department of Economic Development began collecting reports in August of 2009 from each of the 85 community foundations involved in the 2008 County Endowment Fund Program; the responses indicated that the organizations were immediately making an impact in their local communities through grantmaking as well as awareness building and asset development. According to the reported information, the volunteers serving on these community foundation governing bodies collectively reviewed 3,105 grant applications totaling more than \$19.7 million in grant funding requests; collectively in Iowa, the community foundations had approximately \$8.4 million available to award in the County Endowment Fund Program. (Please note: the summary provided on the County Endowment Fund Program reflects the grants awarded with the dollars distributed to the Community Foundations in *September of 2008*.)

The County Endowment Fund grants awarded by the local community foundations reached into all areas of charitable need. In the reports, the community foundations were required to note whether a funded project was a **capital** or **program** based award; in addition, each grant also was to be listed as falling into one of the following focus areas: *Arts/Culture/Humanities, Education, Environment/Animals, Health, Human Services, Public/Society Benefit, or Other*.

The specific allocation noting program and capital projects based on each funding focus area is illustrated on **Chart A**. When figuring program and capital based grants, the community foundations reported that 52% of total County Endowment Fund grants were awarded to capital based projects with 48% awarded to program aspects of projects (**Chart B**).

Chart A. Dollar Amount of All County Endowment Fund Grant Awards in Iowa

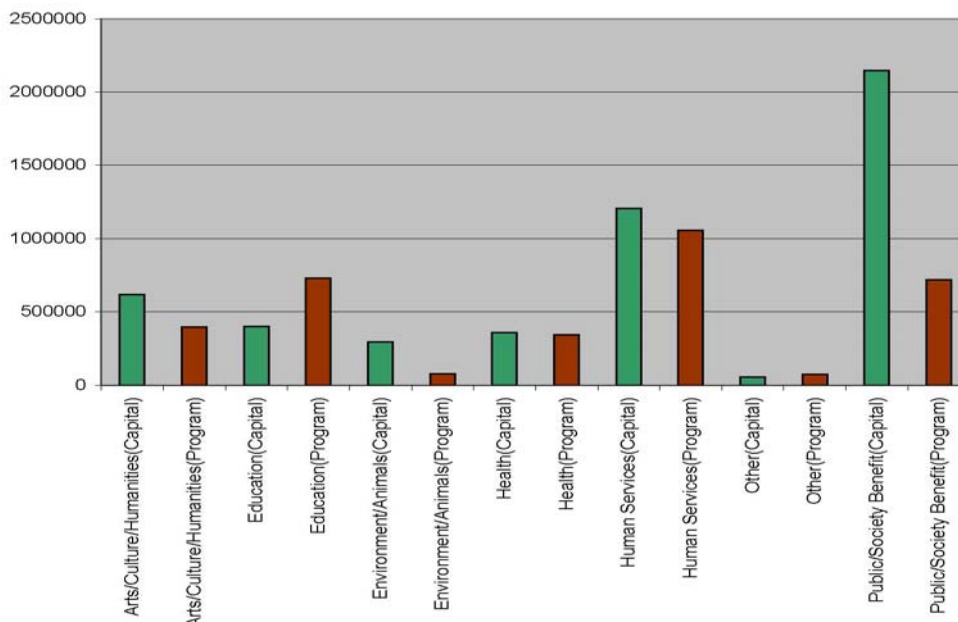
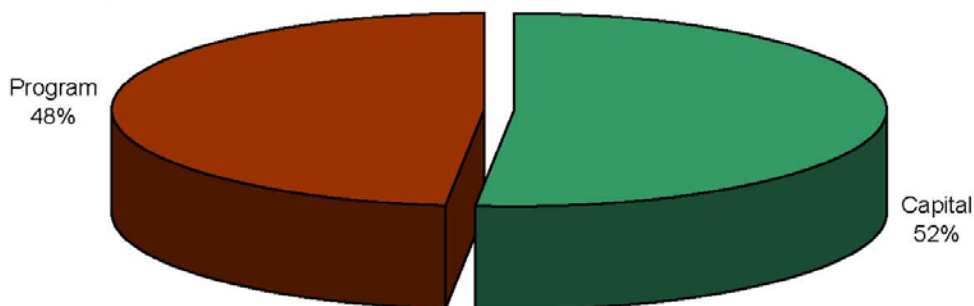


Chart B. Capital and Program Related Grants

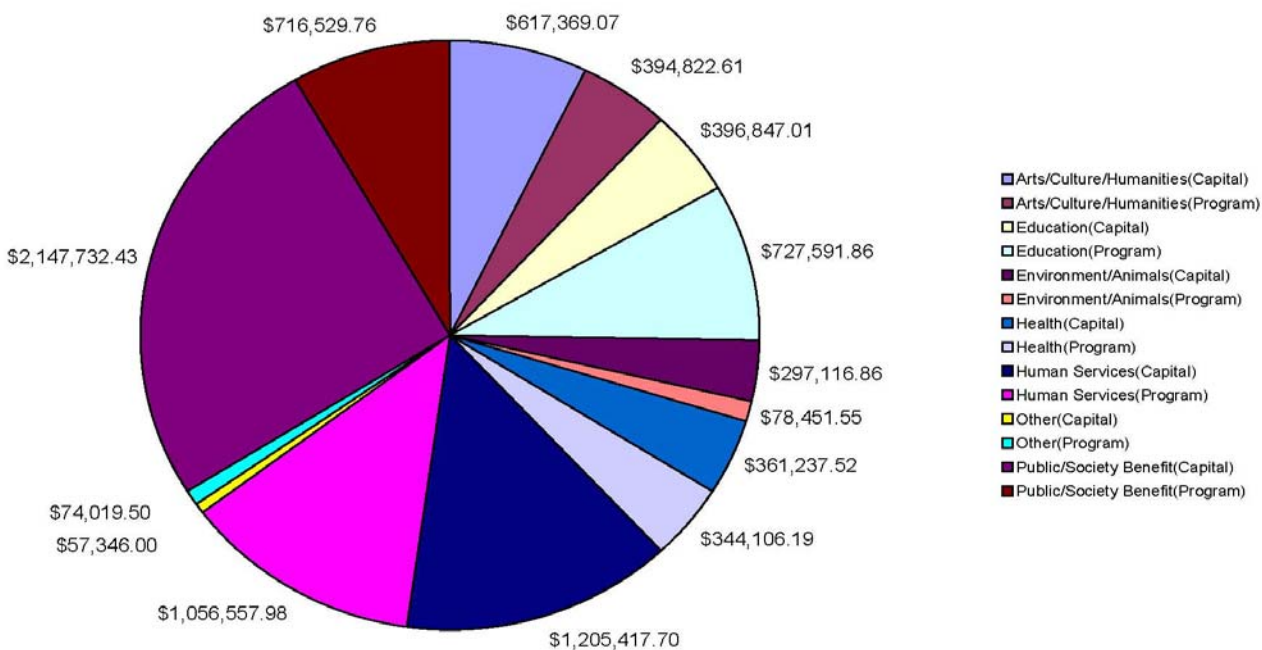


Taking an even closer look at the allocation from the County Endowment Fund Program grants among the focus areas reveals a wide range of impact, which reflects the community foundations' purpose of being broad and flexible to address changing community needs. When considering all dollars distributed, the following outlines the percentages of total funding granted to each focus area:

- Arts/Culture/Humanities 12% (capital= 7% and program= 5%),
- Education 14% (capital= 5% and program= 9%),
- Environment/Animals 5% (capital= 4% and program= 1%),
- Health 8% (capital= 4% and program= 4%),
- Human Services 26% (capital= 14% and program= 12%),
- Public/Society Benefit 33% (capital= 25% and program= 8%),
- and Other 2% (capital= 1% and program= 1%).

Chart C provides the breakdown including the specific dollar amount funded in each category/focus area from the County Endowment Fund Program.

Chart C. Grant Dollar Amount Based on Category and Focus Area



The breakdown of the County Endowment Fund grants awarded by each of the 85 community foundations involved in the Program will be listed in a joint publication being produced by the Iowa Council of Foundations and the Iowa Gaming Association to be distributed in early 2010. The complete listing of the 2,244 grants awarded in 2009 is also available through the Iowa Council of Foundation's website for Iowa Community Foundations specifically located at www.IowaCommunityFoundations.org/RecentGrants. Additionally, the information is on file at the Iowa Department of Economic Development- Community Development Division.

TRAINING, MARKETING, AND INFORMATION SHARING

Iowa Community Foundations are positively impacting charitable projects and programs in communities of all sizes, from border to border, in our state. In order to support this fast-growing movement and encourage even more activity at the local level, there were once again number opportunities to learn and network with colleagues in 2009. A focus was placed on assisting local community foundations in building awareness as well as endowment funds. The Iowa Council of Foundations continues to offer direct support as well as additional resources and training to community foundations and affiliate organizations across the state. (For more information about the Iowa Council of Foundations, its work with community foundations, a complete list of member organizations or board members, or to obtain information on joining, please visit www.IowaCouncilofFoundations.org.)

Iowa has a statewide network of more than 130 community foundations that serve our communities; 85 of those organizations participate in the County Endowment Fund Program and all are eligible to participate in the Endow Iowa Program (providing they meet qualification standards). The vast majority of community foundations are operated in local communities by active volunteers and then have a Host Community Foundation that serves as the legal and administrative "hub". The Host Community Foundations work to provide individualized learning and/or larger group opportunities for the affiliates with whom they work directly; some holding regional meetings, quarterly meetings, or one-on-one meetings for specific opportunities. In addition to this direct service by the Host Community Foundations, the Iowa Council of Foundations coordinated and supported a variety of efforts to build upon the power of community-based philanthropy as well as continue the process of educating the broad community about the impact community foundations have in our state. Below are highlights from some of those opportunities.



CONNECT: Community Foundation '09 Networking Summit

The Iowa Council of Foundations hosted the first **CONNECT: Community Foundation '09 Networking Summit** in Des Moines on January 28, 2009. This statewide networking event offered more than 100 community foundation registrants, the opportunity to learn directly from peers as well as share successes of their own. It was designed and facilitated as a true networking session providing ample time for participants to dig deep with colleagues to answer questions or explore ideas to implement locally.

The day offered 3 opportunities for attendees to select from the following discussion tables: Grantmaking Challenges- From Getting the Word Out to Unusual Opportunities, Connecting with Professional Advisors- Common Ways & Unique New Ideas, How to talk about "LEGACY" in your Community, Asset Development vs. Fundraising Tactics- The Difference for Community Foundations, Tips & Tactics to Inspire Governing Body Members, Call to Action- What motivates Donors?

Marketing/ Tax Credit/Altruism, Community Leadership- the Community Foundation's Role, Creating Awareness (Marketing/Outreach Strategies), and Current Issues- YOU Bring the Topic! (Examples- Engaging Youth, Economic Issues, etc.). The day culminated with the individual development of a "road map" (below) for helping participants to take an idea they heard back to implement locally. To assist with this, the ICoF offered *Idea Implementation Grants* for those community foundations that had two or more members attend **CONNECT**.

Road Map to Success!
Our Priority: _____

What is our overall mission? _____

Priority Area: _____

Rationale: Why is this the most important work we do in the past? _____

GOAL: How will you know when you "got there"? _____

Specific Actions, Timeline and Responsibility: _____

What can my local community foundation do to help? _____

"I thoroughly enjoyed the day and met some great people!"

"Very good ideas shared and a great opportunity to clarify and understand the needs and hardships."

"Great networking opportunity as a new board volunteer."

"I was delighted to hear about some very effective CF activities and learned a lot!"

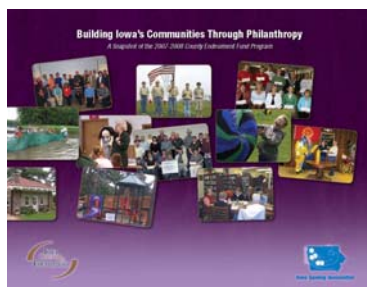
"Well planned. Good topics. Good interaction between small and large foundations."



CONNECT Participants- Large Group Session Jan 2009



CONNECT Participants-Small Group Session Jan 2009



ICoF/ IGA Publication on the County Endowment Fund Program and Participating Community Foundations

The Iowa Council of Foundations again partnered with the Iowa Gaming Association to produce a report that provides detailed information on the County Endowment Fund Program and the grants awarded in each of the participating 85 counties. The report entitled "Building Iowa's Communities Through Philanthropy- a Snapshot of the 2007-2008 County Endowment Fund Program" included grant information and summary statements for the 1,731 grants awarded by the Community Foundations participating in the program as well as information about the community foundations governing body members, contact names, and assets.

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Introductory Video: Live here. Give here. About Iowa Community Foundations.

The Iowa Council of Foundations created a template introductory video for Iowa Community Foundations. The video provides a basic overview of the local community foundation as well as information as to the importance of endowment building by highlighting the growth of an endowment over a 25 year period. Iowa Community Foundations have the opportunity to ask for videos to be modified for their local community foundations to use at various public events and presentations. An example video can be downloaded from www.IowaCommunityFoundations.org.

*"Our event went off very well and the DVD worked perfectly.
Thank you so much for doing that for us.
It makes us much more professional!"*

Iowa Public Television & Iowa Public Radio

In an effort to promote the important role of Iowa Community Foundations, the Iowa Council of Foundations secured numerous sponsorship opportunities on both Iowa Public Television and Iowa Public Radio. The language for the two rotating spots on both outlets are as follows:

Message A

... Iowa Community Foundations, an initiative of the Iowa Council of Foundations. Connecting donors to the causes and communities they care about- for good. for Iowa. for ever. Details at IowaCommunityFoundations.org.

Message B

... Iowa Community Foundations, an Iowa Council of Foundations initiative. Giving through local community foundations is rewarding- in more ways than one. Details about the Endow Iowa Tax Credit Program at IowaCommunityFoundations.org.

Conference Call Education/Training Opportunities

As part of continuous education, the Iowa Council of Foundations offered several conference calls/webinars that community foundations could participate in. The Iowa Council of Foundations hosted a conference call entitled *"Paying It Forward: Steps for Advancing Youth Philanthropy in Your Community"* to provide information as to the various ways to incorporate young people in philanthropy. The *"Conference Call re: Microenterprise and Community Vitality"* was offered to share background about the new organization and its work in Iowa. *"What Do We Say and How Do We Say It?"* was an educational call that provided participants with tips on how to best manage conversations with grantees at a time when financial questions don't come with easy answers.

ICoF also offered the opportunity to participate in a webinar entitled *"Older Adults As Resources: Creating New Community Impact"* that discussed how grantmakers can play a critical role by encouraging and supporting innovative strategies to mobilize this untapped resource. Iowa Community Foundations were also invited to participate in a call entitled *"Navigating Social Media: Using the RIGHT Tools in Your Grantmaking Organization"* that provided information as to the various types of social media outlets available as well as suggestions for their use by grantmakers. The ICoF also hosted a conference call entitled

"Successful Families= Success for Iowa" which provided an overview of the Successful Families Caucus as well as various programmatic highlights related to creating and sustaining successful families in Iowa. In addition, the ICoF continues to host various educational calls regarding the National Standards for U.S. Community Foundations ensuring the highest standards of effectiveness and accountability are upheld within the community foundation field in Iowa.

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The Iowa Council of Foundations continues to offer educational training calls and convening opportunities on a variety of topics to Iowa Community Foundations. In 2009, the ICoF convened, on two different occasions, the staff member from each host community foundation that serves as the lead for affiliate community foundation work. During these half-day gatherings, staff are able to explore best practice ideas, share lessons learned, discuss strategies for effective partnerships, brainstorm new ways to provide support and more. These sessions proved to be very important to the staff as they work to provide essential services to the affiliate community foundations in Iowa.

"Thank you again for hosting this group. I really enjoy the networking time and ideas that come from these meetings."

"I see our meetings together regarding Affiliate work as important. Thanks!"



Professional Advisor Outreach

A key target audience for education and outreach for Iowa Community Foundations are professional advisors across the state. As part of that outreach, the Iowa Council of Foundations once again found specific marketing opportunities to this constituency group. Iowa Community Foundations were promoted at the Iowa State Bar Association Tax School held in Des Moines. The Tax School, which draws nearly 700 participants from across the state, provided attendees with a four page handout that assists professional advisors in having the charitable conversation with clients. In addition, information was included in the conference materials. The Iowa Council of Foundations also placed advertisements promoting Iowa Community Foundations in the *Iowa Lawyer* (the publication of the Iowa Bar Association) as well as the *Tickmark* (the publication of the Iowa Society of CPAs). A periodic e-newsletter was also sent targeting professional advisors across Iowa with educational articles as well as important reminders about local community foundations. Various presentations were also made to highlight the opportunities for professional advisors to connect their clients to endowment building at local community foundations.

The Iowa Council of Foundations made a collaborative presentation to the Probate Section of the Iowa State Bar Association with LEAVE A LEGACY® Iowa and also presented to a group of professional advisors in Northeast Iowa. In addition, the ICoF also coordinated the development of marketing materials specifically created for local community foundations to share with professional advisors in their community about the Endow Iowa Tax Credit Program and IRA Charitable Treatment (see related sections in this document).

Endow Iowa Tax Credit Program Portfolio- Customizable Marketing Tools for Iowa Community Foundations

The Iowa Council of Foundations has focused time and energy on created marketing templates and tools that Iowa Community Foundations can adjust for local use. This year, the ICoF worked to create an entire marketing portfolio around the Endow Iowa Tax Credit Program. As with other marketing initiatives at the ICoF, a "3 Steps in 3 Months" program was developed to assist local community foundations in mapping out a plan to utilize the marketing pieces created.

The Endow Iowa Tax Credit Program Portfolio includes a PowerPoint to help discuss the changes to Endow Iowa with board members/staff as well as the following customizable tools:

- *Messaging Points*
- *Newsletter/Web Content*
- *Guest Column*
- *Full page flyer/ad (2 versions)*
- *Donor postcard (2 versions)*
- *Letter to professional advisors*
- *Local News Release*
- *Endow Iowa Tax Credit Calculator*



In addition to the creation of the Portfolio, the ICoF made available a small amount of implementation dollars to help local community foundations share the modifications to Endow Iowa with constituency groups in their communities. Iowa Community Foundations utilized the tools in the most effective way in their communities; some sent postcards to previous and potential donors and some hosted professional advisor gatherings to share the information; some created newsletters to send to community members and some had flyers printed for distribution. The Endow Iowa Tax Credit Program Portfolio continues to be an important marketing toolkit for community foundations of all sizes in communicating the power of not only the Endow Iowa Tax Credit Program but also the power of endowment building.

"Thanks for all of the work you have done around the new Endow Iowa tools for community foundations. We are thrilled to have this language and resource to help us communicate about Endow Iowa!"

"This is great! This will really help in presentations."

"We are using this already! Great tools."



Charitable IRA Treatment

Federal provisions allowed for certain donors to roll IRA funds directly into qualified charitable organizations- such as community foundations. In order to assist Iowa Community Foundations in correctly articulating this opportunity and its treatment in Iowa with Professional Advisors, the Iowa Council of Foundations prepared a template letter for local community foundations to customize.

Other Awareness and Outreach Projects



Endowing Iowa. For good. For ever.

The Iowa Council of Foundations began preparing for a new publication, *Endowing Iowa. For Good. For Ever*, that showcases the people behind endowments at local community foundations. The publication provides 16 donor stories from all across Iowa highlighting a variety of endowment types as well as purposes for establishing these funds. Whether its to celebrate a 90th birthday or serve as a memorial for a 20 year old community-minded young man; to endowing a company's core values to teaching children about philanthropy, the stories included will inspire other Iowans to think about how they too can be a part of creating long-term charitable support in their communities. Much of the data collected to this point has been analytical (asset growth, grantees, funds established, etc.) and while certainly this information is important in sharing the good works of Iowa Community Foundations, we know it is not the only part of the story! This publication goes *beyond the facts and figures and focuses on the power of endowment* by highlighting Iowans who have established an endowment at their local community foundation with the intent to support charitable efforts in perpetuity.



The Iowan.

Iowa Community Foundations were showcased in *The Iowan* magazine as part of outreach efforts to raise awareness across the state. The ad, which asks the question, "What's YOUR Passion?" provides a basic overview of the broad impact of community foundations as well as touches on the opportunity through Endow Iowa. The ad, which was also modified as a flyer that can be customized at the local community foundation level, has received positive feedback as yet another way to articulate that the community foundation can be an important, and effective, partner with donors.



Community Foundation & Affiliate Resource of the Week.

On a weekly basis, the Iowa Council of Foundations shares resources, best practices or updates with Iowa Community Foundations via email. These announcements have showcased examples used by other community foundations, announced learning opportunities, shared new local templates, assisted with marketing endowment funds to local nonprofit agencies, provided suggestions as to governing body composition through a recruitment matrix, and more. Community Foundations are invited and encouraged to share their local successes with others across Iowa through this tool.

"Thank you for sharing this matrix... Please keep your good ideas flowing our way!"



Youth Philanthropy Initiative

The Iowa Council of Foundations continued once again to provide training, education and support in the area of youth philanthropy. The work in 2009, supported by the Iowa AmeriCorps State of Promise Program, was directed by a State of Promise Member. Through these efforts, youth philanthropy

programs in Iowa were connected to various national initiatives and models as well as other important programming and research that ultimately enhanced local work. Specifically, the ICoF's Youth Philanthropy Initiative focused on assisting existing and emerging youth philanthropy programs in Iowa primarily located at or in collaboration with local community foundations.

The Youth Philanthropy Initiative offered support to youth philanthropy projects in 18 Iowa counties in addition to holding conversation in 19 additional counties regarding the development of new initiatives. The Coordinator of Youth Philanthropic Initiatives has allowed the Iowa Council of Foundations the opportunity to assist local communities and community foundations in engaging young people in the grantmaking process for the first time, as well as assisting young people currently engaged in these programs to network with one another. The Youth Philanthropy Initiative has facilitated numerous youth engagement discussions, created new training materials and curriculum, conducted workshops and offered resources to support youth engagement in philanthropy.

www.IowaCommunityFoundations.org

The ICoF continues to host the [IowaCommunityFoundations.org](http://www.IowaCommunityFoundations.org) website that serves as a "one-stop" locator for Iowa Community Foundations, offering visitors a searchable map by county name, zip code or region of Iowa as well as valuable information as to opportunities with local community foundations.

Other Presentations, Education and Support

The Iowa Council of Foundations continued to present in various capacities as well as provide training in numerous ways to support the work of Iowa Community Foundations. Presentations were given at the Northeast Iowa Food and Fitness Conference, local events hosted by affiliate community foundations, Association of Fundraising Professionals' MidAmerica Conference, Iowa Nonprofit Summit (where Iowa Community Foundations also served as a partner), Iowa Independent College Grant Writers' Association, University of Iowa, RuFES Convening of Iowa Horizon Communities through the Northwest Area Foundation, Iowa Not-for-Profit Alliance Conference, MidStates Community and Economic Conference, various boards and more. The Iowa Council of Foundations has also begun working, on behalf of Iowa Community Foundations, on a national effort to create affiliate community foundation curriculum which will be released in 2010. Four pilot grants to support building local staff capacity were also awarded (in partnership with the Community Vitality Center) that will help inform Iowa Community Foundations about various ways in which we can foster even more effective endowment building and asset development within affiliate community foundations. All of this was done in addition to one-on-one requests for assistance/support, directing nonprofits and donors to local community foundations and more.



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Iowa Department of Economic Development (IDED)

IDED continues to administer the Endow Iowa Tax Credit Program and the County Endowment Fund program. IDED maintains information on its website relating to these programs, including Frequently Asked Questions, a Status Update on Tax Credits, Tax Credit Application Forms, and other related information. IDED works closely with the Lead Philanthropic Entity (ICoF), as well as other agencies (Iowa Nonprofit Resource Center, Community Vitality Center, etc.), to support the various philanthropic initiatives in Iowa.

As the community foundation field in Iowa continues to grow not only in assets but impact across Iowa, the Iowa Council of Foundations will continue to provide support to make the local work as effective as possible through additional opportunities for outreach, education and information-sharing. In 2010, look for additional marketing and outreach tools to assist local community foundations as well as peer learning opportunities. 2010 will again be a year where the impact of Iowa Community Foundations and philanthropy in all areas of the state will grow.